

To: Renewable Advisory Board

From: Janice McClanaghan,  
Energy Office

Date: October 7, 2004

Subject: Update

The following is the October, 2004, monthly update for the Renewable Energy Fund:

### **Supply Programs**

#### **Wind**

- 1) URI – The students are continuing work on the siting and economic analysis. Two of the students that have been working on the project from the beginning, Taylor Spault and Auriane Koster, have been accepted into the URI fellowship program which received a grant of \$15,000 from the Fund in 2004.
- 2) Portsmouth Abbey Wind
  - a) Wind Monitoring - Lefteris Pavlides is requesting \$8100 for the purchase of a 40-meter pole including installation. RWU will provide anemometers and logger; analysis of the data will also be provided by engineering students in the state.
  - b) Henry duPont will be making a presentation to the Portsmouth Abbey Board of Directors on October 8, 2004.

#### **Wave**

- 3) Energetech –
  - a) Permitting – A meeting was held by the developer, the MA Trust and the Fund to discuss permitting. Basically, even though it has been established that FERC has jurisdiction in the permitting of the project, it is hoped that FERC will only participate in the process by reviewing the work of the state agencies (CRMC and DEM) and the Army Corps, rather than take a full blown oversight role. An alternative licensing procedure (ALP) application has been filed with FERC, and the process to gain approval from stakeholders to use ALP has been initiated. The ALP is a collaborative process with FERC during pre-filing activities such as EA and EIR studies versus traditional process which has no FERC involvement during pre-filing activities. (An explanation of the FERC ALP is being circulated with this Update.) In terms of project timeline and the permitting process: the permits were originally to be filed Summer of 2004; now with the additional complication of the FERC process, permits are not likely to be filed until Q205; and the time from permit application to approvals (originally estimated to be one year) may be lengthened as well.
  - b) URI Studies – The contract for the next phase of URI work has been limited to some survey work in the amount of \$15,000 (reduced from approximately \$53,000 of studies involving geotechnical and wave studies) which needed to be done before winter weather. The rest of the studies will be contracted for when the developer gives a clear indication that it intends to commit substantial resources to continue project development in light of the new permitting complexities and other internal issues regarding allocation of personnel resources.

#### PV

- 4) Solar on Schools – See separate report from Entech Engineering.
- 5) PV RFP
  - a) CSG – CSG objected to the Fund’s latest counteroffer (see Minutes from September 14, 2004 meeting), saying (correctly) that the Fund had previously indicated that it would provide incentives for 4 projects regardless of the level of up front cash commitment by the host. CSG will be providing an update on the status of each of the 4 proposed transactions to be discussed at the October 12, 2004 Advisory Board meeting.
  - b) IBEW - Local 99 will accept the Fund’s counteroffer of a grant at the \$5.00 per watt rate, for a total grant of \$250,000 for a 50 kw installation. The Local would trim their budget by either downsizing, deferring until the second year, or eliminating, the onsite generator. Their contribution would be approximately \$155,000 in a total budget of \$405,000 (62% of the grant size, the same as before [\$200k/\$315k]).

#### Hydro

- 6) Royal Mills Hydro Feasibility – The developer is moving forward to file for a license or license exemption from FERC, and is still studying the overall economics of the project.

#### Biodiesel

- 7) Plasma Arc/Fuel Cell Project – A question came up in the September 14, 2004 meeting as to what the net power output of the project would be. The net energy output of the plasma arc unit is to some degree dependent on the type of material processed, but the project as planned will generate 5 MW of power, and approximately 50% of that will be used by the unit in processing the waste, the other 50% is available for other uses.

#### Other

- 8) Backup Rate Exemption – Thanks to the efforts of Erich Stephens of PP&L and others, an exemption to the Narragansett backup rate has been negotiated for an aggregate of 3 MW of renewable generation in RI. See below.

#### **Customer Demand Programs**

- 9) Renewable Energy Customer Aggregation (RECA) RFP and Proposal to Large Customer Program: Status of the Proposed Transaction - The RECA group will be meeting with Community Energy on Friday, October 8, 2004 and will provide an update to the Fund to be reported at the October 12, 2004 meeting.
- 10) State House Green Power Purchase – The RFP was posted on the Fund’s website and circulated for comments, which have been received. The comments will be incorporated and the RFP finalized.
- 11) GreenUp – As of September 30, 2004 – there have been a total of 1292 GreenUp signups.

#### **Outreach Programs**

- 12) Smartpower – Smartpower will provide the Fund with a detailed plan for 2005 for discussion at the November 2004 Advisory Board meeting. Smartpower will be meeting with the green power marketers in the interim to get their input as to what outreach should be provided in support of the GreenUp program.

#### Exemption for On-Site Renewable Generation

In recognition of the benefits that renewable energy resources may have, the Parties agree that on-site non-emergency Customer-Sited Generation Facilities, as defined in 2004 R.I. Pub. Laws chs. 199, 205 ("RPS Law"), powered by Eligible Renewable Energy Resources, as defined in the RPS Law, installed on Narragansett's system up to an aggregate nameplate capacity of 3 MW shall be exempt from the backup rates (except that customers may nonetheless elect to be subject to the backup rates). For purposes of determining whether the 3 MW limit has been met, on-site generation installations 25 kVA or smaller that are eligible for net metering shall not be included. Any customer installing an Eligible Renewable Energy Resource generation unit after the Effective Date under this exemption shall nevertheless be required to install metering pursuant to the backup service tariff on such unit that shall provide information on the operation of the generation unit, and which shall be in accordance with the Company's reasonable specifications. The Company shall report annually to the DG Working Group (or more frequently if determined necessary or appropriate by the DG Working Group) on proposed or installed Customer-Sited Generation Facilities eligible for the exemption from backup rates. In the event that the 3 MW limit described above is met during the Rate Freeze Period, Narragansett will within one hundred twenty (120) days of the time the limit is met make a filing with the Commission indicating whether the aggregate installed capacity limit should be increased beyond 3 MW. Such filing shall, at a minimum, take into account information available from the initial Eligible Renewable Energy Resource generating units installed under the exemption and any other relevant factors. The Company shall consult with the Parties no less than 60 days prior to making the aforementioned filing. If Narragansett has not made such a filing in the time period specified above any other Party, following reasonable consultation with 13) Narragansett, may make such a filing.